



THE OHIO LOTTERY COMMISSION
MEETING MINUTES
JANUARY 11, 2023
IN PERSON/VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady, Vice Chairman
Caryn Candisky
Nita Gupta
Jonathan Hughes
Angela Mingo
Mark Rickel
Martin Sweeney
Matthew Szollosi (Via Teams)

Director and Staff of the Ohio Lottery Commission Attending in Person & Remotely

Pat McDonald, Executive Director
Sean Webster, Assistant Director, Operations and Administration
Nicole Kostura, Assistant Director, Sales and Marketing
Collin Sheehy, Executive Assistant to the Director
Terri Jones, Administrative Assistant, Executive Office
Greg Bowers, Deputy Director, Office of Finance
Ron Fornaro, Scratch-Off Ticket Product Manager, Office of Sales
Nick Ciofani, Deputy Director, Office of Government & Community Relations
Jon Dillinger, Sports Gaming Operations Manager
Greg Beyer, Deputy Director, Office of Internal Audit
Susan Diamond, Office of Responsible Gambling
Danielle Frizzi Babb, Deputy Director, Office of Communications
Michael Gonzalez, Deputy Director, Office of Product Innovation
Marie Kilbane Seckers, Office of Communications
Ian Litherland, Sports Gaming Operations
Richard Perk, Deputy Director, Office of Sales
Carla Reeves, Office of Internal Audit
Marni Santoro, Office of Legal Counsel
Tom Spayd, Office of Video Lottery Operations
Tom Ackerman, Deputy Director, Office of Marketing
Jimmie Hicks, Deputy Director, Office of Responsible Gambling
Marty Morrow, Office of Sales
Sharisse Russell, Office of Operations
Raymond Durant, Office of Security
Kara Rasmussen, Office of Legal Counsel
Chelsea Andorka, Office of Sports Gaming

Bryan Robinson, Office of Communications
Connie Miller, Office of Operations
Pam Strickland, Office of Sales
Hurst Talbott, Office of Product Innovation
Angela McCracken, Office of Sports Gaming
Chuck LoPresti, Office of Legal
Dan Carter, Office of Legal Counsel
Scott Bason, Office of Security
Ken Dauenhauer, Office of Marketing
Simone Mays, Office of Security
Marty Morrow, Office of Sales
Allison Turner, Office of Marketing
Maureen Hall, Office of Information Technology
RJ Neal, Office of Video Lottery Operations
Jane Parker, Office of Internal Audit

Additional Attendees

George Balajan, Intralot US
Steven Berk, Giant Eagle
Ed Dick, JACK Entertainment
Lisa Kefalos, AfterMath
Larry King, IGT
Nora Larson, Recover Resources
Kathleen Lenhardt, Hollywood Mahoning Valley
Alissa Naylor, BetMGM
Sarah O'Driscoll, Fahlgren Martin
Matt Oyster, Ice Miller, LLC
Jason Paduchik, Allegis Group
Jennifer Park, AfterMath
Craig Robinson, Miami Valley Gaming and Racing
Michelle Simon, Scientific Games
John Walker, Scioto Downs

Call to Order and Pledge of Allegiance

Chairman Blair called the meeting of the Ohio Lottery Commission to order at 1:00 p.m. The meeting was held in person and via teleconferencing.

Roll Call

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Caryn Candisky, Nita Gupta, Angela Mingo, Martin Sweeney, and Matthew Szollosi (via Teams).

Election of 2023 Officers

Director McDonald called for nominations for the 2023 Commission Chair. Commissioner Mingo nominated Commissioner Matthew Blair for Chair. Commissioner Sweeney seconded the nomination. The motion was affirmatively voted upon by the eight Commissioners present.

Chairman Blair then nominated Commissioner James Brady for Vice Chair. Commissioner Hughes second the nomination. The motion was affirmatively voted upon by the eight Commissioners present.

Appointment of Audit Committee, Audit Chair, and Recognition of Addiction Services Liaison

Commissioner Blair recognized Commissioner Mingo and Commissioner Sweeney for their service to the Audit Committee in 2022 and requested their interest in continued service in 2023. Commissioner Mingo agreed to serve as Chair of the Audit Committee and Commissioner Sweeney agreed to serve as a member of the Audit Committee in 2023. Commissioner Blair appointed Angela Mingo as Chair of the Audit Committee, and Martin Sweeney and Matthew Szollosi as the second and third members of the committee.

Commissioner Blair recognized Commissioner Hughes as Addiction Services Liaison and requested his interest in continued service in 2023. Commissioner Hughes agreed.

Approval of Meeting Minutes

Chairman Blair presented to the Commission for approval the minutes from the December 12, 2022, commission meeting. Chairman Blair made a motion to approve the minutes, seconded by Commissioner Gupta. The motion was affirmatively voted upon by the eight Commissioners present.

Report of the Audit Committee

Audit Committee Chair Angela Mingo provided an update on the Audit Committee December Meeting. During the meeting the agenda item of note was for the Auditor of State to present the results of the Lottery's Fiscal Year 2022 Financial Audit. There were no material issues noted by the Auditor of State.

The committee reviewed the results of an Internal Audit of the Prize Intercept Program. This was a compliance audit to ensure that applicable prizes processed for payment by the Claims Department and applicable jackpots processed for payment by the racinos are processed through the "Prize Intercept Program" to check for state debt on behalf of the Ohio Attorney General and Ohio Department of Job and Family Services. There were no material issues noted during the audit.

The committee continues to monitor the remediation progress of outstanding audit issues. As of the December meeting, the committee is tracking 18 recommendations that are in varying stages of implementation, with only one of these issues more than two fiscal years old. The number of outstanding audit issues the committee is tracking continues to remain low when compared to prior years.

Approval of six (6) scratch-off games in Final Form

Mr. Charles LoPresti, Chief Legal Counsel, presented six (6) scratch-off games for approval in Final Form.

- Rule 3770:1-9-780, Cash Explosion 5X (\$1.00)
- Rule 3770:1-9-781, Cash Explosion 10X (\$2.00)
- Rule 3770:1-9-782, Cash Explosion 25X (\$5.00)
- Rule 3770:1-9-783, \$1,000,000 Payout (\$10.00)
- Rule 3770:1-9-785, \$300,000,000 Extreme Cash (\$30.00)
- Rule 3770:1-9-786, Monopoly™ Cashword 10X® (\$2.00)

Chairman Blair moved to approve the six (6) scratch-off games in Final Form, with Commissioner Sweeney offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

Approval of one (1) Touch & Win EZPLAY® TAP game theme in Proposed and Final Form

Mr. Hurst Talbott, Office of Product Innovation presented before the Commission One (1) Touch & Win EZPLAY® game theme, *Living Lucky*, in Proposed and Final Form. Commissioner Blair moved to approve the game theme presented with Commissioner Candisky offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

Resolution to approve video lottery game themes

Mr. LoPresti presented a Resolution to approve thirty-six (36) Video Lottery Game Themes for inclusion in the video lottery game theme library. Chairman Blair moved to approve the Resolution, with Commissioner Szollosi offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

Financial Report

Office of Finance Deputy Director Greg Bowers provided the Commissioners a financial update for the month of December 2022. Total sales from traditional lottery games for the month of December were \$389.7 million, which was down 5.7% over sales generated last December. This was the second highest sales achieved for the month of December only behind last year.

Mr. Bowers reported that draw-based game sales decreased last month. Altogether, draw-based games were down \$7.3 million, or 4.1% over last year. Sales from scratch-off tickets were down 6.9%; however, sales from holiday themed tickets were at an all-time high, generating the highest sales level for scratch off tickets this fiscal year.

On the racino side, Mr. Bowers reported that gross gaming revenue from VLTs for the month was \$109.2 million. The Lottery share of that revenue, after operating expenses was \$35.7 million, or \$1.0 million less than December of last year.

Mr. Bowers then provided a mid-year review of the first half of fiscal year '23 which is from July '22 -December '22. Total sales from traditional lottery products were \$2.2 billion through the first six months of the fiscal year, which is up \$57.7 million, or 2.7% than last year. This is the highest sales level achieved in the first half of a fiscal year. This was led by both multi-state jackpot games, Mega Millions and Powerball. Three jackpots this fiscal year reached or exceeded the \$1.0 billion mark, with a \$2.0 billion record setting jackpot in November.

Mr. Bowers reported that Mega Millions generated \$122.8 million in sales, while Power Ball has produced \$133.2 million in sales. These totals for each game during the 6-month period ending in December are higher than annual sales for those games in 7 of the past 10 years. This is all due to reaching the billion-dollar mark 3x this year, which is unprecedented. The in-state lotto games were up, as well as all games played in social-type establishments, such as Bars and Restaurants. VLT revenue was down from last year by 0.6%. Total sales/profits generated were at an all- time high for the first half of the year.

Executive Director's Report

Director McDonald informed the Commission that the Lottery Profits Education Fund (LPEF) transfer for the month of December 2022 was \$122.5 million which is \$5.6 million less than December of 2021. This will bring the total Lottery Profits Education Fund (LPEF) transfer for the first half of the fiscal year to \$769.6 million, which is \$105.2 million more than our budgeted amount and \$29.5 million more than last year's transfers at this point last year. The Lottery's total commitment for Fiscal Year 23 is \$1.263 billion dollars.

The Director announced that lottery sports gaming was successfully launched on January 1, 2023, at approximately 700 host locations. The proprietors that went live include BetIGG with 42 retailers, UBETOhio with 15 retailers,

and Intralot (branded as Sports Bet Ohio) at over 650 retailers. Director McDonald informed the Commissioners that the agency was informed in mid-December that Intralot would only launch with their sports betting companion app in combination with a clerk-operated terminal. Intralot is expected to begin rolling out their self-service kiosk solution by late January. Lottery sports gaming solutions from Skybox and Gold Rush are expected to be in place beginning in early February.

The Director then turned to Sports Gaming Operations Manager Jon Dillinger for additional updates on the January 1st launch. Mr. Dillinger informed the Commissioners that the proprietors are in the process of installing equipment and working on training the hosts. Mr. Dillinger thanked Lottery staff for the work they did to make the January 1st deadline.

Director McDonald then informed the Commission that with the rollout of Sports Gaming, the Lottery and Casino Control Commission have launched an online portal for the Ohio Voluntary Exclusion Program. Additionally, the program has been rebranded as “*Timeout Ohio*” <https://timeoutohio.com/>. This expansion of the Responsible Gaming program will allow for online application to the Ohio Voluntary Exclusion Program, as well as information regarding how to bet responsibly in this new environment.

Director McDonald informed the Commission that the first \$50 scratch-off ticket “Billion” was released last week. The first week of ticket sales were over \$6.7 million and paid out \$5.6 million in prizes. The Lottery launched digital advertising and marketing support such as paid TV and radio for this ticket which began on January 9th and will run through February.

Director McDonald introduced Mr. Tom Ackerman who is the Ohio Lottery’s new Deputy Director of Marketing. Mr. Ackerman has been with the lottery for 25 years, starting his career in Human Resources.

Director McDonald asked Assistant Director Sean Webster to update the Commission about the upcoming RFI presentations. Mr. Webster informed the Commission that three vendors will be presenting an overview of their capabilities on January 26th, 31st and February 3rd. He reminded individuals that information discussed in these meetings are highly confidential and to direct any questions to his attention.

Director McDonald announced the retirement of Connie Miller, Director of Operations. Ms. Miller has been instrumental in some of the agency’s most critical and successful business initiatives: Gaming System RFPs and conversion: Multi-State Gaming (Powerball & Mega Millions); Keno; the Video Lottery program at the racinos and most recently sports gaming. Deputy Director Miller has been with the Lottery 32 years and will be missed.

Lastly, Director McDonald announced that Mr. Lopresti, Chief Legal Counsel will be temporarily leaving the Ohio Lottery on military deployment at the end of January and will return in mid to late December. Director McDonald thanked him for his service and wished him good luck.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair informed Commissioners that the next meeting will be held on Wednesday, February 8, 2023, at 12:00 p.m. via teleconferencing and in person.

Respectfully Submitted,



Pat McDonald
Executive Director



Matthew Blair
Commission Chair